

## Message Text

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ACTION EB-11

INFO OCT-01 ISO-00 OMB-01 TAR-02 SP-03 SWF-02 AGR-20

AID-20 CIAE-00 COME-00 INR-10 IO-14 LAB-06 NSAE-00

OIC-04 RSC-01 SIL-01 STR-08 TRSE-00 CIEP-02 CEA-02

AF-10 ARA-16 EA-11 EUR-25 NEA-10 GSA-02 INT-08 IGA-02

DODE-00 PM-07 H-03 L-03 NSC-07 PA-04 PRS-01 SS-20

USIA-15 ACDA-19 SCI-06 COA-02 DLOS-07 CG-00 DOTE-00

CEQ-02 EPA-04 DRC-01 /293 W  
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TAGS: EMON, ETR, UNCTAD

SUBJ: UNCTAD INTENSIVE INTER-GOVERNMENTAL CONSULTATION ON MANGANESE  
ORE, APRIL 23-26,

SUMMARY: INTENSIVE CONSULTATIONS ON MANGANESE ORE ENDED  
WITH RESULTS SIMILAR TO TUNGSTEN MEETING. AGREED CONCLUSIONS  
CALL FOR INDEPTH STUDY BY SECRETARIAT WITH ASSISTANCE OF EXPERTS  
AS NECESSARY. U.S. STOCKPILE DISPOSAL POLICY RECEIVED FAIR  
AMOUNT OF CRITICISM. EC AND JAPAN, HOWEVER, BORE BRUNT OF  
CRITICISM FROM PRODUCING COUNTRIES BECAUSE OF UNWILLINGNESS  
INCLUDE PROCESSED PRODUCTS IN SCOPE OF CONSULTATIONS AND  
SUBSEQUENT SECRETARIAT STUDY. USDEL WAS ABLE HEAD OFF AD HOC  
MEETING OF EXPERTS BUT GHANA RESERVED RIGHT RAISE QUESTION OF  
SUCH MEETING AT TDB XIV. END SUMMARY.

1. INTENSIVE UNCTAD INTER-GOVERNMENTAL CONSULTATIONS ON  
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MANGANESE ORE UNDER RES. 7(VII) OF COMMITTEE ON

COMMODITIES HELD APRIL 23-26. MEETING ELECTED CUDJOE (GHANA-MANAGING DIRECTOR GHANA NATIONAL MANGANESE CORP). CHAIRMAN, AND TEESE (AUSTRALIA-PERMANENT MISSION GNEVA) VICE CHAIRMAN/RAPPORTEUR. OPENING SESSION DELAYED SEVERAL HOURS DUE DIFFICULTIES IN FINDING PRODUCER NATION WILLING TO ACCEPT CHAIR. ALSO, CONSUMERS WERE UNABLE FIND CANDIDATE WILLING ACCEPT VICE CHAIRMANSHIP (DESPITE EC EFFORTS GET DUTCH OR FRENCH TAKE ON JOB), AND THIS POSITION FINALLY WENT TO AUSTRALIA DESPITE FACT THAT AUSTRALIA PRODUCING NATION.

2. PRODUCER LEADERSHIP IN CONSULTATIONS CAME LARGELY FROM BRAZIL, GHANA AND AUSTRALIA, WITH GABON PLAYING SECONDARY ROLE (IN CONTRAST TO LEADERSHIP ROLE LATTER EXHIBITED DURING 1972 UNCTAD MANGANESE MEETING). CONSUMER LEADERSHIP PROVIDED LARGELY BY U.S. AND FRG (LATTER ACTING IN DUAL CAPACITY AS HEAD OF EC CONTINGENT). USSR WAS REPRESENTED, BUT SOVS SPOKE ONLY ONCE -TO CHALLENGE QUESTION PRESENCE OF EC COMMISSION REP AT MEETING. PRC NOT REPRESENTED, AND MONGOLIA REPRESENTED BY PERM MISSION JUNIOR OFFICER WHO ATTENDED ONLY OPENING SESSION.

3. SUBSTANTIVE DISCUSSIONS CONCENTRATED LARGELY ON FIVE MAIN AREAS: (A) PRODUCER DESIRE FOR IMPROVED MARKET ACCESS IN CONSUMING NATIONS FOR PROCESSED FORMS OF MANGANESE ORE; (B) PRODUCER COUNTRY DESIRE FOR INDIGENOUS PROCESSING FACILITIES IN ORDER OBTAIN HIGHER REVENUES AND OTHER BENEFITS DERIVED FROM VALUE ADDED TO MANGANESE ORE THROUGH PROCESSING; (C) PRODUCER CRITICISM OF U.S. GSA MANGANESE ORE STOCKPILE DISPOSALS; (D) POSSIBILITIES OF SEABED MINING OF MANGANESE NODULES; AND (E) POSSIBILITY OF INTERNATIONAL COMMODITY AGREEMENT FOR MANGANESE ORE.

A. MARKET ACCESS. PRODUCERS ECHOED UNCTAD SECRETARIAT VIEWS (EXPRESSED IN BASIC DOCUMENT) RE DETERIORATED TERMS OF TRADE FACED BY MANGANESE PRODUCERS OVER PAST 20 YEARS, AND CALLED FOR IMPROVED MARKET ACCESS, ESPECIALLY IN FORM OF LOWERED DUTIES ON PROCESSED FORMS OF MANGANESE (FERRO-ALLOYS). EC AND JAPAN TOWARD END OF CONSULTATIONS ENGAGED IN PLENARY SESSION CHALLENGE TO INCLUDING PROCESSED MANGANESE WITHIN SCOPE OF CONSULTATIONS. FINAL REPORT REFLECTS SPLIT OVER QUESTION SCOPE OF CONSULTATIONS. THERE LIMITED OFFICIAL USE

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WAS GENERAL AGREEMENT THAT OVERALL QUESTION OF IMPROVED ACCESS WAS A MATTER FOR MTN AND GATT.

B. PRODUCER COUNTRY PROCESSING. LDC'S CALLED FOR INCREASED PRODUCER COUNTRY PROCESSING, WITH DCS AND INTERNATIONAL INSTITUTIONS TO COOPERATE IN FURNISHING FINANCING AND REQUIRED TECHNICAL ASSISTANCE. EC PRIVATELY STATED OPPOSITION TO INCREASING PRODUCER COUNTRY MANGANESE PROCESSING CAPACITY. (EC REP INFORMED USDEL THAT EC STAND ON THIS QUESTION

WAS RESULT OF SUBSTANTIAL FRENCH OVER-CAPACITY IN MANGANESE PROCESSING FACILITIES.)

C. U.S. GSA STOCKPILE DISPOSALS. GHANA, BRAZIL AND GABON CRITICIZED GSA STOCKPILE DISPOSALS, AND REQUESTED NUMBER OF CHANGES IN DISPOSAL PRACTICES: RIGIDLY PLANNED DISPOSALS; DISPOSALS

TO BE TIED TO FIXED PERCENTAGE U.S. MANGANESE CONSUMPTION; AND DISPOSALS TO BE LIMITED TO U.S., WITH NO EXPORT SALES. USDEL OUTLINED STOCKPILE DISPOSAL POLICY, NOTING THAT CARE TAKEN TO PREVENT UNDUE MARKET DISRUPTION AND THAT DISPOSAL RATES SET AFTER CONSULTATIONS WITH INTERESTED GOVERNMENTS. GHANAIAN DRAFT AGREED CONCLUSIONS (REPRESENTING PRODUCER VIEWS) CRITICAL OF GSA DISPOSALS AND REITERATED ABOVE REQUESTS, BUT GHANAIS INDICATED WILLINGNESS REPLACE SPECIFIC PARA ON GSA DISPOSALS WITH GENERAL ONE. USDEL OBTAINED CONSUMER CAUCUS AGREEMENT TO INNOCUOUS GENERAL PARA (NAMING NO COUNTRY) CALLING FOR CONTINUED CONSULTATIONS PRIOR TO STOCKPILE ADJUSTMENTS. PRODUCERS (BRAZIL AND GHANA), HOWEVER, UNABLE ACCEPT U.S. PARA AS COMPLETE SUBSTITUTE, AND CONCLUSIONS CONTAIN LDC PRODUCER PARA ON U.S. DISPOSALS WITH BALANCING U.S. PARA.

D. SEABED MINING. WITH EXCEPTION OF GABON, LDC PRODUCERS FELT THAT ECONOMIC SEABED MINING OF MANGANESE NODULES WAS FAR AWAY DOWN THE ROAD AS TO POSE LITTLE OR NO SHORT TERM THREAT TO THEIR PRODUCTION. AS RESULT, SEABED MINING TURNED OUT TO BE NON-ISSUE. ON QUESTION OF CONSULTATIONS FORMULATING ADVICE TO COMING CARACAS LAW OF SEA (LOS) CONFERENCE (AS PROPOSED IN SECRETARIAT PAPER), CONSUMER CAUCUS WAS SOLIDLY AGAINST CONSULTATIONS MUDDYING WATERS BY PUTTING ITS OWN OARS INTO A COMPLICATED ISSUE. NUMBER OF PRODUCERS ALSO EXPRESSED VIEWS IN PLENARY SESSION AGAINST MAKING RECOMMENDATIONS TO LOS CONFERENCE.

E. COMMODITY AGREEMENT FOR MANGANESE. PRODUCERS GENERALLY FELT IT TOO EARLY TO CONSIDER POSSIBILITIES OF COMMODITY AGREEMENT (CONSUMER CAUCUS ALSO OPPOSED TO AGREEMENT). NUMBER LIMITED OFFICIAL USE

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OF PRODUCERS NOTED LACK OF DETAILED INFORMATION WHICH WOULD BE NEEDED FOR CONSIDERATION OF COMMODITY AGREEMENT (E.G. PRICES BY VARIOUS GRADES OF MANGANESE ORES), AND JOINED CONSUMERS IN CALLING FOR MORE AND BETTER DATA THAN THOSE CURRENTLY AVAILABLE.

4. MAIN INSTITUTIONAL PROBLEM WAS DESIRE SEVERAL PRODUCING COUNTRIES (NOTABLY AUSTRALIA AND GHANA) TO CONVENE AD HOC GROUP OF EXPERTS TO HELP SECRETARIAT PREPARE IN-DEPTH STUDY. EC AND JAPAN PREPARED GO ALONG WITH SUCH MEETING. USDEL, NEVERTHELESS, SUCCEEDED IN MODIFYING PROPOSAL BY SUGGESTING OBJECTIVE COULD BE ACCOMPLISHED IF SECRETARIAT OBTAINED EXPERT ADVICE DIRECTLY. GHANA, HOWEVER, RESERVED RIGHT TO RAISE SUBJECT OF MEETING OF EXPERT GROUP AT TDB XIV. DALE

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## Message Attributes

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